

From: bernie@huilcorealestate.com [mailto:bernie@huilcorealestate.com]
Sent: Sunday, September 6, 2015 6:18 PM
To: Jarrett Preston
Subject: Hacienda San Joaquin

Hi Jarrett,

We have assessed the values of your properties in Vilcabamba Ecuador based on our sales experience in the immediate region and other regions of Ecuador. We would be pleased to assist you with the sale of any of your properties and or help you with any construction needs as you finalize your forward plans. We have years of experience working with the local municipalities and all resources that will be required for your continued success.

Background:

I have been coming to Ecuador since 1999 and have lived here permanently since 2009. I have bought and sold my own properties on the coast of Ecuador and have bought property and developed in Vilcabamba.

I was a licensed general building contractor in the state of California for over 20 years, building both in the Los Angeles area and also in the Silicon Valley.

Since I have been in Ecuador, I have contracted construction projects and started with Ecuadorian partners a company named Huilco Real Estate and Construction. We work in a joint venture with Cuenca Real Estate whom is #1 in the country and also has the online newspaper Gringo Tree.

We have Real Estate listings around the country, most are in the Loja and Vilcabamba area. We have sold properties in the jungle, coast and mountains of Ecuador. I myself have traveled around the country many times and know the people and country quite well.

I first viewed Hacienda San Joaquin when there was only one home being built in the development. We are aware that all of the lots have sold in Phase I and almost all have been built on, with little turn over.

We have represented Buyers and Sellers in transactions at Hacienda San Joaquin and Hacienda El Atillo which is another successful sub division and development in Vilcabamba. We also represent two other smaller subdivisions and developments in the Vilcabamba area. We will be listing another high end development in the Catacocha very soon. We also have listed Tinalandia which is a resort and older development built in the 50's and 60's. It has the first golf course that was built in Ecuador which some of the Kennedys played on in the 60's.

Hacienda San Joaquin is by far the most successful subdivision and development we have listed and sold in and know of in Ecuador. The property values over the past 5 years have continued to rise all over Ecuador. A development on the river in an area such as Hacienda San Joaquin, Vilcabamba: Known as The Valley of Longevity, with possibly the best all around weather on earth, will continue to be sold out and property values will only continue to rise as capacity within the community is very limited.

As a comparison: The Hacienda El Atillo lots with shared (use of the common facilities) were selling at and above \$60 a M2 (\$6 a SF).

While we understand you have a more all-inclusive resort-like living approach to the Phase II development, from a simple valuation perspective if a sale were required or preferred, we are confident we could market and sell the properties as defined below.

- **The Phase II (25) Sunrise Lots** – 31 acres +/- or 1,353,150 SqFt. would be very marketable @\$7 per SqFt. = **Market Value: (\$9,472,000.00) collectively.**
- **For the Equestrian Stables and Hiking Center/Cafe**, the number we would use to find the reasonable market value would be \$1200 a M2 (\$120 a SF) for the construction and \$25 a M2 for the land (2.50 a SF). At 8,000 Sq Ft. for the structure and Land of 3 acres or 120,950 Sq.Ft we would value this at \$960,000.00 for the structure and \$327,375.00 for the land. **Market Value: \$1,285,000.00**
- **For the Sales Office** we would assess the value at \$1600 A M2 (\$160 a SF) for the construction. It's what would be considered high end commercial. The land at \$25 a M2 (2.50 a SF). The structure at 3500 SqFt. +/- and land of .53 acres would equate to a **Market Value: \$614,500.00**
- **The 32,000 SqFt.** Community Center and Wellness Spa is also high end commercial and is 60% completed by our estimation. We would estimate the value as is at \$960 a M2 (\$96 a SF) for the structure in its current state. For the land at and around the Community Center and Wellness Spa, we would estimate the value starting at \$70 a SM (\$7 a SF).
32,000 SqFt. = \$3,072,000.00 for Structure As is + Land Value (6 acre or 261,900 SqFt. site)
\$1,833,000.00 = Structure and Land Combined As Is **Market Value: \$4,905,000.00**
- **The 22 acres** (960,000 SqFt.)+/- of land/lots around the Community Center planned for higher density units/condominiums would be valued at the same \$70 a SM (\$7 a SF) making a **Market Value of: \$6,722,000.00**

Total Value of Properties: \$22,998,500.00

We estimate middle class residences built in Phase II of Hacienda San Joaquin are similar to El Atillo with values starting at \$1200 a M2 (\$120 a SF) for the construction only.

We estimate high end residence values built in Phase II of Hacienda San Joaquin starting at \$2000 a M2 (\$200 a SF) for the construction only.

*The above Market Values are suggested with the assumption that an appropriate time period for market absorption is allotted and all property purchasers are provided access to communal amenities.

Please reach out to me with any questions or for further assistance on any of the above.

Sincerely,

Bernie Uhe

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